

CITY OF BREMERTON
Kitsap County, Washington
January 1, 1994 Through December 31, 1994

Schedule Of Findings

1. Ambulance Billing And Receipting Internal Controls Should Be Improved

For the past three years the City of Bremerton's fire department has received more than \$200,000 per year in revenue from aid calls. The department keeps track of the aid calls by filling out a report called a medical incident report (MIR).

The department contracted out the entire billing, receipting, and accounts receivable system, including write-offs to Systems Designs, a private company.

While the department monitored summary information received from the company, such as number of patients billed, amount of cash receipted, and the amount written off, the department did not receive any detailed reports. Without detailed information, such as billing and accounts receivable registers showing customer names and amount due, cash receipts journals, and lists of customers whom they wrote off, it was impossible to verify individual patient payments.

The city contracted the ambulance billing and receipting system because they decided that it was cost effective. At one time, management provided more oversight, however, they stopped because they felt it was an inefficient duplication of effort.

The lack of management oversight of billing, receipting, and accounts receivable functions could lead to errors and irregularities which would not be detected in a timely manner.

We recommend:

- a. The fire department prepare a detailed list of all MIR's sent to Systems Design by month that includes MIR number, name of patient, and indication of city or non-city residency. The department should reconcile this list to Systems Design's billing information.
- b. The department request Systems Design to provide monthly detailed information of accounts that were written-off and reconcile these with the amounts that have been formally authorized to be written off.

2. Annual Reports Should Be Submitted In A Timely Manner

The city submitted its 1994 annual report in October of 1995, more than four months after it was due.

RCW 43.09.230 states in part:

The state auditor shall require from every taxing district and other political subdivisions financial reports covering the full period of each fiscal year, in accordance with the forms and methods prescribed by the state auditor, which shall be uniform for all accounts of the same class.

Such reports shall be prepared, certified, and filed with the division within one hundred fifty days after the close of each fiscal year.

The city's fiscal year ends on December 31. Therefore, its reports were due May 30, 1995. When annual reports are submitted late, information may be no longer relevant or useful to users and it delays the audit process.

We recommend the city submit its annual reports within the time limits established by RCW 43.09.230.